

AMENDMENTS TO LB 420

(Amendments to Final Reading copy)

Introduced by Hadley, 37.

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. Section 77-2704.12, Reissue Revised Statutes
4 of Nebraska, is amended to read:

5 77-2704.12 (1) Sales and use taxes shall not be imposed
6 on the gross receipts from the sale, lease, or rental of and the
7 storage, use, or other consumption in this state of purchases by
8 (a) any nonprofit organization created exclusively for religious
9 purposes, (b) any nonprofit organization providing services
10 exclusively to the blind, (c) any nonprofit private educational
11 institution established under sections 79-1601 to 79-1607, (d) any
12 nonprofit private college or university established under sections
13 85-1101 to 85-1111, (e) any nonprofit (i) hospital, (ii) health
14 clinic when two or more hospitals or the parent corporations of
15 the hospitals own or control the health clinic for the purpose of
16 reducing the cost of health services or when the health clinic
17 receives federal funds through the United States Public Health
18 Service for the purpose of serving populations that are medically
19 underserved, (iii) skilled nursing facility, (iv) intermediate care
20 facility, (v) assisted-living facility, (vi) intermediate care
21 facility for the mentally retarded, (vii) nursing facility, (viii)
22 home health agency, (ix) hospice or hospice service, or (x) respite

1 care service licensed under the Health Care Facility Licensure Act,
2 (f) any nonprofit licensed child-caring agency, (g) any nonprofit
3 licensed child placement agency, or (h) any nonprofit organization
4 certified by the Department of Health and Human Services to
5 provide community-based services for persons with developmental
6 disabilities.

7 (2) Any organization listed in subsection (1) of this
8 section shall apply for an exemption on forms provided by the
9 Tax Commissioner. The application shall be approved and a numbered
10 certificate of exemption received by the applicant organization in
11 order to be exempt from the sales and use tax.

12 (3) The appointment of purchasing agents shall be
13 recognized for the purpose of altering the status of the
14 construction contractor as the ultimate consumer of building
15 materials which are physically annexed to the structure and
16 which subsequently belong to the owner of the organization or
17 institution. The appointment of purchasing agents shall be in
18 writing and occur prior to having any building materials annexed
19 to real estate in the construction, improvement, or repair. The
20 contractor who has been appointed as a purchasing agent may apply
21 for a refund of or use as a credit against a future use tax
22 liability the tax paid on inventory items annexed to real estate
23 in the construction, improvement, or repair of a project for a
24 licensed not-for-profit institution.

25 (4) Any organization listed in subsection (1) of this
26 section which enters into a contract of construction, improvement,
27 or repair upon property annexed to real estate without first

1 issuing a purchasing agent authorization to a contractor or
2 repairperson prior to the building materials being annexed to
3 real estate in the project may apply to the Tax Commissioner for
4 a refund of any sales and use tax paid by the contractor or
5 repairperson on the building materials physically annexed to real
6 estate in the construction, improvement, or repair.

7 (5) Any person purchasing, storing, using, or
8 otherwise consuming building materials in the performance of any
9 construction, improvement, or repair by or for any institution
10 enumerated in subsection (1) of this section which is licensed upon
11 completion although not licensed at the time of construction or
12 improvement, which building materials are annexed to real estate
13 and which subsequently belong to the owner of the institution,
14 shall pay any applicable sales or use tax thereon. Upon becoming
15 licensed and receiving a numbered certificate of exemption,
16 the institution organized not for profit shall be entitled to
17 a refund of the amount of taxes so paid in the performance
18 of such construction, improvement, or repair and shall submit
19 whatever evidence is required by the Tax Commissioner sufficient
20 to establish the total sales and use tax paid upon the building
21 materials physically annexed to real estate in the construction,
22 improvement, or repair.

23 (6) Subsections (1) through (5) of this section apply to
24 transactions occurring before July 1, 2013. Subsections (7) through
25 (15) of this section apply to transactions occurring on or after
26 July 1, 2013.

27 (7) Sales and use taxes shall not be imposed on the

1 gross receipts from the sale, lease, or rental of and the storage,
2 use, or other consumption in this state of purchases by (a) any
3 nonprofit organization created exclusively for religious purposes,
4 (b) any nonprofit organization providing services exclusively
5 to the blind, (c) any nonprofit private educational institution
6 established under sections 79-1601 to 79-1607, or (d) any nonprofit
7 private college or university established under sections 85-1101 to
8 85-1111.

9 (8) Sales and use taxes shall not be imposed on the
10 gross receipts from the sale, lease, or rental of and the storage,
11 use, or other consumption in this state of purchases by (a)
12 any nonprofit licensed child-caring agency, (b) any nonprofit
13 licensed child placement agency, or (c) any nonprofit organization
14 certified by the Department of Health and Human Services to
15 provide community-based services for persons with developmental
16 disabilities. The exemptions in this subsection are limited to
17 purchases made for use in the exempt health care activities or
18 services that are licensed or certified by the Department of Health
19 and Human Services.

20 (9) Sales and use taxes shall not be imposed on the gross
21 receipts from the sale, lease, or rental of and the storage, use,
22 or other consumption in this state of purchases by any nonprofit
23 licensed hospital. The exemption in this subsection is limited to
24 purchases made for use at the facility or the portion of a facility
25 that is licensed under the Health Care Facility Licensure Act,
26 for use in the exempt health care activities or services that are
27 licensed under the act, or for use at a nonprofit health clinic

1 exempt under subsection (10) of this section.

2 (10) (a) Sales and use taxes shall not be imposed on
3 the gross receipts from the sale, lease, or rental of and the
4 storage, use, or other consumption in this state of purchases by
5 any nonprofit health clinic if one or more nonprofit hospitals or
6 the parent corporations of the nonprofit hospitals own or control
7 the nonprofit health clinic for the purpose of reducing the cost of
8 health services or if the nonprofit health clinic receives federal
9 funds through the United States Public Health Service for the
10 purpose of serving populations that are medically underserved.

11 (b) For purposes of this subsection, nonprofit health
12 clinic means:

13 (i) Rural health clinic as defined by 42 U.S.C. 1395x,
14 as such section existed on January 1, 2010, and organized not for
15 profit; or

16 (ii) Health clinic as defined in section 71-416 and
17 organized not for profit.

18 (c) The exemptions in this subsection are limited to
19 purchases made by a nonprofit health clinic for use at the
20 nonprofit health clinic.

21 (11) Sales and use taxes shall not be imposed on the
22 gross receipts from the sale, lease, or rental of and the
23 storage, use, or other consumption in this state of purchases
24 by any nonprofit licensed (a) nursing facility, (b) skilled
25 nursing facility, (c) assisted-living facility, (d) intermediate
26 care facility, (e) intermediate care facility for the mentally
27 retarded, (f) home health agency, (g) hospice or hospice service,

1 or (h) respite care service. The exemptions in this subsection are
2 limited to purchases made for use at the facility or the portion
3 of a facility that is licensed under the Health Care Facility
4 Licensure Act or for use in the exempt health care activities or
5 services licensed under the act.

6 (12) Any organization listed in subsections (7) through
7 (11) of this section shall apply for an exemption on forms provided
8 by the Tax Commissioner. The application shall be approved and
9 a numbered certificate of exemption received by the applicant
10 organization in order to be exempt from the sales and use tax.

11 (13) The appointment of purchasing agents shall be
12 recognized for the purpose of altering the status of the
13 construction contractor as the ultimate consumer of building
14 materials which are physically annexed to the structure and
15 which subsequently belong to the owner of the organization or
16 institution. The appointment of purchasing agents shall be in
17 writing and occur prior to having any building materials annexed
18 to real estate in the construction, improvement, or repair. The
19 contractor who has been appointed as a purchasing agent may apply
20 for a refund of or use as a credit against a future use tax
21 liability the tax paid on inventory items annexed to real estate
22 in the construction, improvement, or repair of a project for a
23 licensed not-for-profit institution.

24 (14) Any organization listed in subsections (7) through
25 (11) of this section which enters into a contract of construction,
26 improvement, or repair upon property annexed to real estate without
27 first issuing a purchasing agent authorization to a contractor

1 or repairperson prior to the building materials being annexed to
2 real estate in the project may apply to the Tax Commissioner for
3 a refund of any sales and use tax paid by the contractor or
4 repairperson on the building materials physically annexed to real
5 estate in the construction, improvement, or repair.

6 (15) Any person purchasing, storing, using, or
7 otherwise consuming building materials in the performance of any
8 construction, improvement, or repair by or for any institution
9 enumerated in subsections (7) through (11) of this section which
10 is licensed upon completion although not licensed at the time of
11 construction or improvement, which building materials are annexed
12 to real estate and which subsequently belong to the owner of the
13 institution, shall pay any applicable sales or use tax thereon.
14 Upon becoming licensed and receiving a numbered certificate of
15 exemption, the institution organized not for profit shall be
16 entitled to a refund of the amount of taxes so paid in the
17 performance of such construction, improvement, or repair and shall
18 submit whatever evidence is required by the Tax Commissioner
19 sufficient to establish the total sales and use tax paid upon
20 the building materials physically annexed to real estate in the
21 construction, improvement, or repair.

22 Sec. 2. Original section 77-2704.12, Reissue Revised
23 Statutes of Nebraska, is repealed.

24 2. On page 1, strike lines 2 through 6 and insert
25 "77-2704.12, Reissue Revised Statutes of Nebraska; to change
26 provisions relating to sales and use tax exemptions for certain
27 nonprofit entities; and to repeal the original section."